

Ben Kappel

Rental Property Owner -Mandan/Bismarck

Opposition Testimony – HB 1395

Dear Chairman and Members of the Committee,

My name is Ben Kappel. I am a licensed Realtor and an active landlord in the state. I am writing today in opposition to HB 1395, which proposes requiring landlords to provide proof of completed background checks to prospective tenants upon request—or face refunding fees if that proof is not delivered within 14 days.

While I understand the intent behind the bill, to provide transparency to renters, I believe it places unnecessary and unfair burdens on landlords, particularly small housing providers like myself.

First and foremost, **no one is forced to apply for a rental property**. Applying for a home is a voluntary action. Applicants know upfront that background checks can be part of the process. If they are uncomfortable with that or unwilling to pay an application fee, **they are under no obligation to proceed**.

Furthermore, if landlords **do not clearly advertise an application fee**, we risk being flooded with unqualified applicants—those with serious criminal records, prior evictions, or financial red flags—who are well aware they will likely not pass a screening but have nothing to lose by trying. This clogs the system and costs time and money, not only for landlords but for more qualified renters waiting on decisions.

Personally, **I intentionally price my rentals well below market value** to attract a strong applicant pool. Investment properties are just that, an investment, and they are not easily acquired as they take hard work and years of saving and planning. I work very hard in a search for a highly qualified tenant that will be more likely to take care of the property, as one bad tenant can cause enough damages to wipe out any yearly gains.

The last home I marketed for rent in Bismarck, was a pet friendly, single-family home, with a fenced yard. I received more than 50 online inquiries, half that number showed up to see the property, and I received around 10 applications. Now with this, I would have had to track down at least 9, but likely 18 different people if they applied as a couple, as each adult must apply -- to send proof that the background check was run. With pet friendly rental homes in such extreme short supply; I can see the day when I could have well over 20 applicants. If this passes, I will certainly have to make a change and market my properties at a far stronger price

so I don't have as many applicants. And if other landlords follow that lead, we will see the rental prices climb exponentially.

Additionally, I utilize **Apartments.com** for all rental applications. Applicants pay **directly to the platform** for their credit and background screening. So, under HB 1395, would I still be obligated to provide proof of a background check I neither handled nor received funds for? There are countless of these background check websites online that landlords can use and they are all slightly different. In these cases, the prospective tenant does not pay me, the landlord, anything directly. The bill lacks clarity on this—and sets a precedent where landlords may be penalized for third-party processes beyond our control.

Background checks do cost money. They're not free to landlords, and are a necessity to protect their investments. These costs are steadily rising. Making landlords responsible for refunds because a tenant didn't get selected—or because of an administrative oversight—adds more risk and liability, without addressing the root concern.

In closing, **landlords should not be punished for running a fair and thorough screening process**, especially when no one is being forced to apply. If this bill passes as written, it could deter housing providers from offering affordable rentals altogether, reducing available housing in a market that already needs more supply.

I respectfully urge you to vote a **DO NOT PASS** on HB 1395.

Sincerely,
Ben Kappel